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**Wing Fung Group Asia Limited**  
**榮豐集團亞洲有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8526)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Wing Fung Group Asia Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively, the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## ANNUAL RESULTS

The board of Directors (the “**Board**”) of the Company announces the audited consolidated results of the Group for the year ended 31 December 2025 (the “**Relevant Period**”), together with the comparative audited figures for the year ended 31 December 2024, as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Revenue</b>	3	<b>145,574</b>	176,764
Cost of sales	4	<u><b>(144,881)</b></u>	<u>176,764</u>
<b>Gross profit</b>		<b>693</b>	18,883
Other income, net		<b>64</b>	323
Reversal of impairment losses on trade receivables and contract assets, net	4	<b>1,655</b>	3,708
Write-off of contract assets	4	<b>(5,308)</b>	–
Administrative expenses	4	<u><b>(19,620)</b></u>	<u>(18,349)</u>
<b>Operating (loss) profit</b>		<b>(22,516)</b>	4,565
Finance costs		<u><b>(1,050)</b></u>	<u>(1,411)</u>
<b>(Loss) Profit before income tax</b>		<b>(23,566)</b>	3,154
Income tax credit (expense)	5	<u><b>1,557</b></u>	<u>(2,081)</u>
<b>(Loss) Profit for the year</b>		<b>(22,009)</b>	1,073
Other comprehensive income for the year, net of tax			
<i>Item that may be reclassified to profit or loss:</i>			
– Exchange differences on translation of a foreign operation		<u><b>3</b></u>	<u>2</u>
<b>Total comprehensive (expenses) income for the year</b>		<u><u><b>(22,006)</b></u></u>	<u><u>1,075</u></u>
<b>Basic and diluted (loss) earnings per share for (loss) profit attributable to the ordinary equity holders of the Company (HK cents per share)</b>	7	<u><u><b>(13.56)</b></u></u>	<u><u>0.66</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		737	313
Right-of-use assets		54	170
Deferred income tax assets		<u>10,372</u>	<u>8,815</u>
		<u>11,163</u>	<u>9,298</u>
<b>Current assets</b>			
Contract assets	8	43,917	62,905
Trade and other receivables, deposits and prepayments	9	45,647	29,987
Pledged bank deposits	10	–	7,352
Cash and cash equivalents	10	<u>4,075</u>	<u>16,576</u>
		<u>93,639</u>	<u>116,820</u>
<b>Total assets</b>		<u>104,802</u>	<u>126,118</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		<u>–</u>	<u>56</u>
		<u>–</u>	<u>56</u>
<b>Current liabilities</b>			
Trade and retention payables	11	34,572	30,075
Other payables and accrued expenses		5,080	3,976
Lease liabilities		56	108
Bank and other borrowings	12	<u>20,362</u>	<u>25,165</u>
		<u>60,070</u>	<u>59,324</u>
<b>Total liabilities</b>		<u>60,070</u>	<u>59,380</u>
<b>Net assets</b>		<u>44,732</u>	<u>66,738</u>
<b>EQUITY</b>			
Share capital	13	6,490	6,490
Reserves		<u>38,242</u>	<u>60,248</u>
<b>Total equity</b>		<u>44,732</u>	<u>66,738</u>

## NOTES:

Year ended 31 December 2025

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 29 September 2016 as an exempted company with limited liability under Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is 71 Fort Street, PO Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands. The principal place of business is Unit D, 21st Floor, Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of supply, installation and fitting-out services of mechanical ventilation and air-conditioning ("MVAC") system for buildings. The Company's immediate and ultimate holding company is Wing Fung Capital Limited, a private company incorporated in the British Virgin Islands.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the functional currency of the Company.

The Company listed its shares on GEM of the Stock Exchange on 27 February 2018 (the "Listing").

### 2. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

#### (a) New / revised HKFRS Accounting Standards applied by the Group

The accounting policies applied in preparing the consolidated financial statements for the year ended 31 December 2025 are consistent with those applied in preparing the Group's consolidated financial statements for the year ended 31 December 2024 except for the adoption of new/revised HKFRS Accounting Standards as set out below. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

Amendments to HKAS 21	Lack of Exchangeability
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### ***Amendments to HKAS 21: Lack of Exchangeability***

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosure to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

### **(b) New / revised HKFRS Accounting Standards that are not yet effective and have not been early adopted by the Group**

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRS Accounting Standards that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Annual Improvements to HKFRS Accounting Standards	Volume 11 <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> The effective date to be determined

The Directors of the Company do not anticipate that the adoption of the new/revised HKFRS Accounting Standards in future periods will have any material impact on the Group's financial position or performance.

### 3. REVENUE AND SEGMENT INFORMATION

The Group's revenue is derived from the provision of supply, installation, and fitting-out services of MVAC system for buildings to external customers in Hong Kong and Macau during the year. For the purposes of resources allocation and performance assessment, the chief operating decision maker reviews the overall results and financial position of the Group as a whole prepared based on the accounting policies. The Group has only one single operating segment and no further analysis of this single segment is presented.

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Revenue from construction contracts	<u>145,574</u>	<u>176,764</u>

The Group's revenue is recognised over time for the years ended 31 December 2025 and 2024.

#### Unsatisfied construction contracts

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at 31 December 2025 and 2024 and the expected timing of recognising revenue are as follows:

	At 31 December	
	2025	2024
	HK\$'000	HK\$'000
Revenue from construction contracts to be recognised		
Within one year	252,572	158,409
More than one year	<u>377,437</u>	<u>401,871</u>

#### Geographical information

The following table provides an analysis of the Group's revenue from external customers based on geographical location of the customers:

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	143,586	174,784
Macau	<u>1,988</u>	<u>1,980</u>
	<u>145,574</u>	<u>176,764</u>

The following is an analysis of the carrying amounts of non-current assets, excluding deferred income tax assets, analysed by the geographical area in which the assets are located:

	<b>At 31 December</b>	
	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Hong Kong	<b>281</b>	311
Macau	<b>510</b>	172
	<b><u>791</u></b>	<u>483</u>

#### **Information about major customers**

Revenue from customers contributing over 10% of total revenue of the Group are as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Customer A	<b>133,634</b>	141,929
Customer B	<b><i>Note</i></b>	21,185

*Note:* Revenue from the customer is less than 10% of the total revenue of the Group for the year ended 31 December 2025.

#### 4. EXPENSES BY NATURE

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Costs of materials	44,605	61,812
Subcontractor costs	79,499	84,746
Employee benefit expenses		
– Directors' remuneration	9,654	8,151
– Direct labour	18,189	9,517
– Administrative staff	3,863	3,519
Provision for (Reversal of) impairment losses on trade receivables, net	63	(151)
Reversal of impairment losses on contract assets, net	(1,718)	(3,557)
Write-off of contract assets	5,308	–
Auditor's remuneration		
– Audit services	670	670
– Non-audit and other services	73	71
Depreciation of property, plant and equipment	107	124
Depreciation of right-of-use assets	116	441
Operating lease rentals in respect of short-term leases of rented premises	734	956
Legal and professional fees	1,221	2,530
Travelling expenses	382	370
Other expenses	5,388	3,323
	<u>168,154</u>	<u>172,522</u>

## 5. INCOME TAX (CREDIT) EXPENSE

The amount of income tax (credit) expense credited/charged to the consolidated statement of comprehensive income represents:

	Year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Current income tax:		
Macau complementary tax		
Under provision in prior years	—	199
	—	199
Deferred income tax	<u>(1,557)</u>	<u>1,882</u>
Income tax (credit) expense	<u><u>(1,557)</u></u>	<u><u>2,081</u></u>

(i) Hong Kong profits tax

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25% (2024: 8.25%), and profits above HK\$2 million will be taxed at 16.5% (2024: 16.5%). The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2024: 16.5%).

(ii) Macau Complementary Tax

Pursuant to a tax incentive approved under Section 22 of Decree Law No. 13/2025, Macau Complementary Tax is levied at a fixed rate of 12% (2024: 12%) on the taxable income above Macau Pataca (“**MOP**”) 600,000 (approximately HK\$582,000) of the Group’s operations in Macau.

The income tax (credit) expense for the year can be reconciled to the (loss) profit before income tax per the consolidated statement of comprehensive income as follows:

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
(Loss) Profit before income tax	<u>(23,566)</u>	<u>3,154</u>
Tax calculated at the applicable tax rates	(3,616)	595
Expenses not deductible for tax purpose	961	961
Income not subject to tax	(3)	–
Under provision in prior years	–	199
Tax effect of losses not recognised	1,103	481
Others	<u>(2)</u>	<u>(155)</u>
Income tax (credit) expense	<u>(1,557)</u>	<u>2,081</u>

## 6. DIVIDENDS

No dividend was declared or paid by the Company during the year ended 31 December 2025 (2024: Nil).

## 7. BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

Basic (loss) earnings per share is calculated by dividing the (loss) profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	<b>Year ended 31 December</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
(Loss) Profit attributable to owners of the Company (in HK\$'000)	<u>(22,009)</u>	<u>1,073</u>
Weighted average number of ordinary shares in issue	<u>162,250,000</u>	<u>162,250,000</u>
Basic (loss) earnings per share (HK cents per share)	<u>(13.56)</u>	<u>0.66</u>

Diluted (loss) earnings per share is equal to the basic (loss) earnings per share since the Company has no dilutive potential shares during the year ended 31 December 2025 (2024: Nil).

## 8. CONTRACT ASSETS

	<b>At 31 December</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Construction contracts	51,792	72,499
Less: Provision for impairment loss allowance	<u>(7,875)</u>	<u>(9,594)</u>
	<u>43,917</u>	<u>62,905</u>

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditional on the Group's future performance. Included in contract assets are retention receivables. Retention receivables arise from the Group's construction project and are held by customers in order to provide the customers with assurance that the Group will complete its obligations satisfactorily under the contracts, rather than to provide financing to the customers. They are generally settled within a period ranging from one to two years upon the completion of construction work. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically reclassifies contract assets to trade receivables on the date of payment certificates issued by the customers when such right of collections becomes unconditional other than the passage of time.

At the end of the reporting period, the contract assets that are expected to be recovered after more than 12 months are HK\$27,994,000 (2024: HK\$23,044,000), which represented the retention receivables. The remaining contract assets after impairment loss allowance are expected to be recovered within 12 months.

The movements of contract assets (before loss allowance and excluding those arising from increases and decrease both occurred within the same year) from contracts with customers within HKFRS 15 during the years are as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
At 1 January	<b>72,499</b>	81,963
Transferred to trade receivables	<b>(31,058)</b>	(20,613)
Recognition of revenue	<b>15,659</b>	11,149
Write-off of contract assets ( <i>Note</i> )	<b>(5,308)</b>	–
	<hr/>	<hr/>
At 31 December	<b><u>51,792</u></b>	<u>72,499</u>

*Note:* During the year ended 31 December 2025, contract assets were written off upon finalisation of a project which the management of the Group considered that there was no reasonable expectation of recovery on certain construction work completed by the Group.

Movements in the loss allowance on contract assets are as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
At 1 January	<b>9,594</b>	13,150
Reversal of impairment loss	<b>(1,718)</b>	(3,557)
Exchange differences	<b>(1)</b>	1
	<hr/>	<hr/>
At 31 December	<b><u>7,875</u></b>	<u>9,594</u>

The retention receivables (net of loss allowance) to be settled, based on the expiry of retention period, at the end of the reporting period are:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within one year	2,866	7,177
After one year	<u>27,994</u>	<u>23,044</u>
	<u><u>30,860</u></u>	<u><u>30,221</u></u>

## 9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 31 December	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables ( <i>Note i</i> )	45,309	29,692
Less: Provision for impairment loss allowance ( <i>Note i</i> )	<u>(2,240)</u>	<u>(2,178)</u>
	43,069	27,514
Other receivables and deposits ( <i>Note ii</i> )	1,176	1,017
Prepayments	<u>1,402</u>	<u>1,456</u>
	<u><u>45,647</u></u>	<u><u>29,987</u></u>

### (i) Trade receivables

Trade receivables arise from the provision of supply, installation and fitting-out services of MVAC system for buildings. The Group grants a credit period ranged from 30 to 45 days to its customers. The following is an aging analysis of trade receivables based on valuation dates of payment certificates or reports net of provision for impairment loss allowance at the end of the reporting period:

	At 31 December	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	16,217	9,235
31 to 60 days	22,816	5,072
61 to 90 days	3,022	8,928
91 to 180 days	1,014	728
181 to 365 days	–	–
Over 1 year	<u>–</u>	<u>3,551</u>
	<u><u>43,069</u></u>	<u><u>27,514</u></u>

The fair value of trade receivables approximate their carrying values.

The carrying amounts of trade receivables are denominated in the following currencies:

	<b>At 31 December</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	<b>HK\$'000</b>
HK\$	<b>43,069</b>	23,890
MOP	–	3,624
	<u><b>43,069</b></u>	<u>27,514</u>

Before accepting any new customers, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits granted to customers are reviewed periodically. Management of the Group closely monitors the credit quality of trade receivables and considers the majority of the Group's trade receivables that are past due but not impaired have good credit quality with reference to respective settlement history.

Movements of the provision for (reversal of) impairment loss allowance on trade receivables are as follows:

	<b>2025</b>	2024
	<b>HK\$'000</b>	<b>HK\$'000</b>
At 1 January	<b>2,178</b>	2,328
Provision for (Reversal of) impairment loss	<b>63</b>	(151)
Exchange differences	<b>(1)</b>	1
	<u><b>2,240</b></u>	<u>2,178</u>

**(ii) Other receivables and deposits**

The fair value of other receivables and deposits approximate their carrying values.

**10. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS**

	<b>At 31 December</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	<b>HK\$'000</b>
Pledged bank deposits	<u>–</u>	<u>7,352</u>
Cash and cash equivalents	<b>4,075</b>	16,576
Bank overdrafts ( <i>Note 12</i> )	–	(6,848)
	<u><b>4,075</b></u>	<u>9,728</u>

The pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group (including overdraft and trade facilities) with maturity within one year from the end of the reporting period and is therefore classified as a current asset. The pledged bank deposits carried interest at a fixed rate at 3.80% per annum at 31 December 2024.

The carrying amounts of pledged bank deposits and cash and cash equivalents (net of bank overdrafts) approximate their fair values and are denominated in the following currencies:

	<b>At 31 December</b>	
	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
HK\$	<b>2,029</b>	15,571
MOP	<b>2,046</b>	1,509
	<b><u>4,075</u></b>	<u>17,080</u>

#### **11. TRADE AND RETENTION PAYABLES**

	<b>At 31 December</b>	
	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables	<b>24,469</b>	21,714
Retention payables	<b>10,103</b>	8,361
	<b><u>34,572</u></b>	<u>30,075</u>

The credit period of trade payables granted by subcontractors and suppliers ranges from 30 to 60 days upon the issue of invoices or application of interim payment generally.

The following is an aging analysis of trade payables based on the invoice dates or the dates of application of interim payment, as appropriate.

	<b>At 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
0 to 30 days	9,491	10,173
31 to 60 days	6,989	5,163
61 to 90 days	2,726	3,916
91 to 180 days	2,377	1,628
181 days to 1 year	86	47
Over 1 year	2,800	787
	<u>24,469</u>	<u>21,714</u>

Retention payables to subcontractors are interest-free and payable at the end of the defect liability period of individual contracts, normally one year from the completion date of the respective project.

The retention payables are expected to be settled, based on the expiry date of the defect liability period, at the end of the reporting period as follows:

	<b>At 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Due within one year	2,316	2,535
Due after one year	7,787	5,826
	<u>10,103</u>	<u>8,361</u>

The carrying amounts of trade and retention payables approximate their fair values and are denominated in the following currencies:

	<b>At 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
HK\$	32,332	27,312
MOP	2,240	2,763
	<u>34,572</u>	<u>30,075</u>

## 12. BANK AND OTHER BORROWINGS

	At 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Secured:		
– Bank borrowings	16,441	18,317
– Bank overdrafts	–	6,848
– Other borrowing	3,921	–
	<u>20,362</u>	<u>25,165</u>

The fair value of the bank and other borrowings approximates their carrying amount as the impact of discounting is not significant.

The bank borrowings and other borrowings and overdrafts due for repayment are as follows:

	At 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
On demand or within one year	<u>20,362</u>	<u>25,165</u>

The bank borrowings at 31 December 2025 carried interest either at 2.5% below Hong Kong Prime Rate or at Hong Kong Prime Rate plus interest rate at 0.5% (2024: at 2.5% below Hong Kong Prime Rate or at Hong Kong Prime Rate plus interest rate at 0.5%). The effective interest rate on the bank borrowings (which is also equal to contracted interest rate) is ranging from 2.75% to 6.125% per annum (2024: 3.0% to 6.625% per annum).

On 10 October 2025, the Group entered into a loan agreement with a financial institution to borrow HK\$5,000,000 at a fixed interest rate of 10.0% per annum for nine months. The other borrowing is secured by an assignment of the Group's accounts receivable, to the extent of the outstanding other borrowing balance of approximately HK\$3,921,000 at 31 December 2025, duly executed by the borrower in favour of the lender.

The bank overdrafts at 31 December 2024 carried interest at Hong Kong Prime Rate and the effective interest rate is ranging from 5.5% to 6.125% per annum.

The Group's bank and other borrowings are denominated in HK\$.

At 31 December 2025 and 2024, the bank borrowing amounted to approximately HK\$8,842,000 (2024: HK\$9,817,000) is secured by a corporate guarantee given by the Company of HK\$47,971,000, by personal guarantee of a director, Mr. Chung Chi Keung (“**Mr. Chung**”) of HK\$30,000,000 and the property held by a director, Mr. Chung. Another bank borrowing amounted to approximately HK\$7,599,000 (2024: HK\$8,500,000) is secured by personal guarantee of a director, Mr. Chung of HK\$9,000,000.

At 31 December 2025, the other borrowing is secured by a corporate guarantee given by the Company of approximately HK\$4,052,000 and by personal guarantee of a director, Mr. Chung of approximately HK\$4,052,000.

Analysis of the amounts due based on scheduled payment dates set out in the loan agreements (ignoring the effect of any repayment on demand clause) is as follows:

	At 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	13,699	17,565
1 to 2 years	963	929
2 to 5 years	3,052	2,960
Over 5 years	<u>2,648</u>	<u>3,711</u>
	<u><u>20,362</u></u>	<u><u>25,165</u></u>

### 13. SHARE CAPITAL

The Company's authorised and issued ordinary share capital are as follows:

	Nominal value per share	Number of shares	Total <i>HK\$'000</i>
<b>Authorised:</b>			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>HK\$0.04</u>	<u>25,000,000,000</u>	<u>1,000,000</u>
<b>Issued and fully paid:</b>			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>HK\$0.04</u>	<u>162,250,000</u>	<u>6,490</u>

### 14. CONTINGENCIES

	At 31 December	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Corporate guarantee ( <i>Note a</i> )	<u>13,853</u>	<u>13,853</u>

*Note:*

- (a) At 31 December 2025, the Group provided corporate guarantee amounted to approximately HK\$13,853,000 (2024: HK\$13,853,000) to one (2024: one) customer as an indemnity for four (2024: four) construction contracts. During the years ended 31 December 2025 and 2024, no corporate guarantee was being enforced. Typically, the estimated consideration is not constrained for revenue recognition.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged as a subcontractor for the provision of supply, installation and fitting-out services of MVAC system for various types of private and public building projects including infrastructural, commercial and residential building projects in Hong Kong and Macau.

During the Relevant Period, notwithstanding steady signs of recovery in both the local and global economies, the overall market sentiment had remained subdued. The absence of major new construction projects further intensified competition in the construction industry. Rising financial costs, chronic shortage of skilled labour, inflationary pressures and prolonged geopolitical uncertainties continued to weigh on the local market. These factors heightened the strategic challenges facing the sector and tempered its outlook. In response, the Group has adopted a pragmatic and resilient approach towards risks. It prioritised quality control of project management and execution and implemented more rigorous cost control measures within budgets.

During the Relevant Period, the Group recorded a loss of approximately HK\$22.0 million as compared to a profit of approximately HK\$1.1 million in the corresponding period in 2024. The turnaround from profit to loss during the Relevant Period was mainly due to (i) decrease in revenue of approximately HK\$31.2 million as a result of delay in projects amid the sluggish economy; (ii) prolonged completion of certain projects of the Group which led to overrun of project cost and resulted in significant decrease in the Group's expected gross profit margin of the projects; (iii) decrease in reversal of impairment losses on trade receivables and contract assets of approximately HK\$2.0 million for the Relevant Period; and (iv) the recognition of the write-off of contract assets of approximately HK\$5.3 million as a result of the finalisation of a project located in Macau for the Relevant Period. Despite the turnaround from profit to loss during the Relevant Period, the Group has remained vigilant and pro-active, and has successfully secured new projects with sizeable contract sum. During the second half of 2025, amongst other projects, a new project was awarded to the Group with an initial contract sum exceeding HK\$175 million. The Group will continue to regularly and closely monitor the progress of its ongoing projects and will continue to identify suitable tender opportunities and submit tenders for potential projects to maximise the Group's profits and return to its shareholders.

Looking ahead, the Group maintains a cautious outlook for the year 2026 and will continue to explore cooperation with new customers and derive new revenue streams, and optimise resource utilisation and efficiencies in order to maximise return to our shareholders. As mentioned in the announcements of the Company dated 15 August 2024 and 20 March 2025, a new project was awarded to the Group with an initial contract sum exceeding HK\$383 million in March 2024 ("**New Project**"). While the Group has contrived to a pragmatic and resilient approach focusing on quality assurance in project management, and stringent cost control measures, any delay of the New Project may potentially affect the financial results of the Group for the year ending 31 December 2026. Nonetheless, the Group will stay vigilant by constantly reviewing its business and tendering strategies and enhancing its operational efficiency and financial performance.

## **FINANCIAL REVIEW**

### **Revenue**

Our revenue decreased by approximately HK\$31.2 million, from approximately HK\$176.8 million for the year ended 31 December 2024 to approximately HK\$145.6 million for the Relevant Period, representing a decrease of approximately 17.6%. In particular, while the Group recorded (i) an increase in revenue of approximately HK\$10.0 million from new projects (in particular a new project located at Lok Ma Chau); and (ii) an increase in revenue of approximately HK\$97.0 million due to the increase in the amount of work under our existing projects as compared with the year ended 31 December 2024 (in particular, a project located at Wong Chuk Hang), the aforesaid increments were offset by (i) a decrease in revenue of approximately HK\$2.0 million resulting from the completion of certain projects during the Relevant Period; and (ii) a decrease in revenue of approximately HK\$136.2 million due to the decrease in the amount of work under our existing projects as compared with the year ended 31 December 2024 (in particular, two projects located at Kai Tak together accounted for a decrease in revenue of approximately HK\$127.4 million).

### **Cost of Sales**

Our cost of sales decreased from approximately HK\$157.9 million for the year ended 31 December 2024 to approximately HK\$144.9 million for the Relevant Period, representing a decrease of approximately 8.2% which was in line with the decrease in revenue for the Relevant Period.

### **Gross Profit and Gross Profit Margin**

Our gross profit decreased by approximately HK\$18.2 million from approximately HK\$18.9 million for the year ended 31 December 2024 to approximately HK\$0.7 million for the Relevant Period. The gross profit margin decreased from approximately 10.7% for the year ended 31 December 2024 to approximately 0.5% for the Relevant Period. The decrease in gross profit and gross profit margin was primarily attributable to the prolonged completion of certain projects of the Group leading to overrun of project costs.

### **Write-off of contract assets**

Write-off of contract assets of approximately HK\$5.3 million was recorded as a result of the finalisation of a project located in Macau. For the said project in Macau, work done performed by the Group amounted to approximately HK\$33.8 million. After negotiations with the customer, total work done of approximately HK\$28.5 million was received and thus write-off of contract assets in respect of the work done of approximately HK\$5.3 million was recognised during the Relevant Period as the Group had no reasonable expectation on recovery of the said sum from the relevant customer.

## **Administrative Expenses**

Our administrative expenses increased by approximately HK\$1.3 million, or approximately 7.1%, from approximately HK\$18.3 million for the year ended 31 December 2024 to approximately HK\$19.6 million for the Relevant Period, mainly attributable to the increase in the employee benefit expenses.

## **Income Tax Credit/Expense**

The Group recorded income tax credit of approximately HK\$1.6 million for the Relevant Period while the Group recorded income tax expense of approximately HK\$2.1 million for the year ended 31 December 2024. Such change was primarily attributable to the loss before tax for the Relevant Period as compared with profit before tax for the corresponding period in 2024.

## **Loss/Profit for the Year**

As a result of the foregoing, our Group recognised a loss of approximately HK\$22.0 million for the Relevant Period as compared with a profit of approximately HK\$1.1 million for the corresponding period in 2024.

## **Liquidity and Financial Resources**

As at 31 December 2025, the Group had total assets of approximately HK\$104.8 million (2024: approximately HK\$126.1 million), which is financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately HK\$60.1 million (2024: approximately HK\$59.4 million) and approximately HK\$44.7 million (2024: approximately HK\$66.7 million), respectively.

The total interest-bearing borrowings (including bank and other borrowings and bank overdrafts) of the Group decreased from approximately HK\$25.2 million as at 31 December 2024 to approximately HK\$20.4 million as at 31 December 2025. Current ratio decreased from 2.0 times as at 31 December 2024 to approximately 1.6 times as at 31 December 2025.

The Group's borrowings and bank balances are mainly denominated in HK\$ and there was no significant exposure to foreign exchange rate fluctuations during the Relevant Period.

The Group's gearing ratio, which is calculated by dividing the total interest-bearing borrowings and lease liabilities by total equity at the year-end date, increased from approximately 38.0% as at 31 December 2024 to approximately 45.6% as at 31 December 2025, primarily due to the combined effect of (i) the decrease in the total interest-bearing borrowings; and (ii) the decrease in total equity attributable to recording a net loss for the Relevant Period.

## **Capital Structure**

The shares of the Company (the “**Shares**”) were successfully listed on GEM of the Stock Exchange on 27 February 2018. Immediately upon Listing, the total issued share capital of the Company was HK\$5,740,000 divided into 574,000,000 Shares of par value of HK\$0.01 each.

On 19 November 2021, 75,000,000 shares of par value HK\$0.01 each of the Company were issued at a price of HK\$0.144 by way of placing under general mandate (the “**Placing**”). For further information in relation to the Placing, please refer to the announcements of the Company dated 22 October 2021, 12 November 2021 and 19 November 2021.

On 21 January 2022, every four (4) issued and unissued existing shares of the Company of par value HK\$0.01 each in the share capital of the Company were consolidated into one (1) consolidated share of par value HK\$0.04 each in the share capital of the Company.

As at 31 December 2025, the Company’s issued share capital was HK\$6,490,000 (31 December 2024: HK\$6,490,000) divided into 162,250,000 (31 December 2024: 162,250,000) ordinary Shares of par value of HK\$0.04 (31 December 2024: HK\$0.04) each.

## **Capital Commitments**

As at 31 December 2025 and 2024, the Group did not have any capital commitments contracted but not provided for.

## **Future Plans for Material Investments and Capital Assets**

Save as disclosed in this announcement, the Group did not have any plans for material investments or capital assets as at 31 December 2025.

## **Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures**

During the Relevant Period, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

## **Contingent Liabilities**

Save as disclosed in note 14 of the notes to this announcement, as at 31 December 2025 and 31 December 2024, the Group did not have other material contingent liabilities.

## **Foreign Exchange Exposure**

The Group's revenue generating operations are mainly transacted in HK\$ and MOP. The Directors consider the impact of foreign exchange exposure to the Group is minimal and the Group did not engage in any derivatives agreements nor commit to any financial instrument to hedge its foreign exchange exposure during the Relevant Period.

## **Pledge of Assets**

Save for the pledged bank deposits as disclosed in note 10 of the notes to this announcement, as at 31 December 2025 and 2024, the Group did not have other pledge of assets.

## **Employees and Remuneration Policies**

As at 31 December 2025, the Group employed a total of 259 (31 December 2024: 206) employees, of whom 187 (31 December 2024: 167) were labour workers nominated by subcontractors. The increase in the number of employees was mainly attributable to the increase of labour workers in respect of a project located at Lok Ma Chau, which commenced in 2025. The relevant cost of employing the labour workers nominated by subcontractors was classified as subcontracting charges and the staff costs, including Directors' emoluments, of the Group were approximately HK\$31.7 million for the Relevant Period (2024: approximately HK\$21.2 million).

The Group promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff, competitive remuneration package is offered to employees (with reference to market norms and individual employees' performance, qualification and experience). On top of basic salaries, bonuses may be paid with reference to the Group's performance as well as individual's performance. Other staff benefits include provision of retirement benefits, medical benefits and sponsorship of training courses.

## **Events after the Reporting Period**

No significant events have taken place subsequent to 31 December 2025 and up to the date of this announcement.

## **COMPETING INTEREST**

The Directors are not aware of any business or interest of the Directors or the Controlling Shareholders (as defined in the GEM Listing Rules) of the Company or any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the Relevant Period.

## **CORPORATE GOVERNANCE CODE**

The Directors and the management of the Group recognise the importance of sound corporate governance to the long-term success and continuing development of the Group. Therefore, the Board is committed to upholding good corporate standards and procedures, so as to enhance the accountability system and transparency of the Group, protect the interests of the Company's stakeholders and create value for shareholders of the Company.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the GEM Listing Rules. Throughout the Relevant Period, the Company has adopted and complied with, where applicable, the CG Code to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner, except for Code Provision C.2.1 of the CG Code.

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Chung is currently the chairman of the Board and the chief executive officer of the Company, responsible for formulating the overall business strategies and overseeing the business and operation of the Group. Considering that Mr. Chung has been responsible for the overall management and operation of the Group since its inception, the Board believes that it is in the best interest of the Group to have Mr. Chung taking up both roles for effective management and business development.

Save as disclosed above, the Board considered that the Company has complied with, where applicable, the CG Code during the Relevant Period.

## **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Group has adopted a code of conduct regarding securities transactions by the Directors on the terms no less exacting than the required standard of dealing set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all the Directors and all Directors confirmed that they had complied with the required standard of securities dealings regarding transactions during the Relevant Period. The Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the Relevant Period.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The management of the Company considers that the following are the principal risks and uncertainties faced by the Group:

- (i) the outbreak of any pandemic could adversely affect the Group's business operations and financial performance by potentially causing suspension of works, delay in delivery of construction materials, increase in material and logistics costs and other interruption to the operation of the Group;
- (ii) the business of the Group relies on successful tenders and any failure of the Group to secure tender contracts would affect sustainability of our revenue streams and adversely affect the operations and financial results of the Group;
- (iii) erroneous or inaccurate estimation of project duration and the costs involved for the determination of tender price may adversely affect the profitability and financial performance of the Group;
- (iv) cost overrun, any delay in project schedule or defects of the works of the suppliers and subcontractors of the Group could adversely affect its operations and financial results;
- (v) reliance on major customers for a significant portion of the Group's revenue may expose the Group to credit and liquidity risks of such major customers and may have impact on the Group's cash flow and financial conditions; and
- (vi) reliance on key management for the Group's operation may subject the Group to material adverse effect on business operation and profitability in case of departure of members of the key management team without timely and appropriate replacement.

## **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the Relevant Period. As at 31 December 2025, the Company did not hold any treasury shares.

## **DIVIDENDS**

The Board did not recommend the payment of a final dividend in respect of both years ended 31 December 2025 and 2024.

## AUDIT COMMITTEE

The Group has established an audit committee of the Board (the “**Audit Committee**”) in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to make recommendations to the Board on appointment or re-appointment and removal of external auditor; review financial statements of our Company and judgments in respect of financial reporting; and oversee the effectiveness of the procedures of the risk management and internal control procedures of the Group.

The Audit Committee currently consists of all three of our independent non-executive Directors, namely Mr. Choy Hiu Fai Eric (“**Mr. Choy**”), Mr. Lei For and Mr. Chan King Lun. Mr. Choy is the chairman of the Audit Committee and holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

The audited consolidated financial statements of the Group for the Relevant Period and this announcement had been reviewed by the Audit Committee, which was of the opinion that the audited consolidated financial statements have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements.

## REVIEW OF THE ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group’s auditor, Forvis Mazars CPA Limited (“**Forvis Mazars**”), to the amounts set out in the Group’s audited consolidated financial statements for the year ended 31 December 2025. The work performed by Forvis Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Forvis Mazars on this preliminary announcement.

## **ANNUAL GENERAL MEETING AND PUBLICATION OF ANNUAL REPORT**

The annual general meeting (“AGM”) for the financial year 2025 of the Company is scheduled to be held on Thursday, 21 May 2026, the notice of the AGM together with the 2025 Annual Report will be published on the Company’s website at [www.wingfunggroup.com](http://www.wingfunggroup.com) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and despatched to the shareholders of the Company in due course.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Friday, 15 May 2026 to Thursday, 21 May 2026, both days inclusive, for the purposes of determining the entitlements of the shareholders of the Company to attend and vote at the AGM. During this closure period, no transfer of the Shares will be registered. The record date for determining the eligibility of the shareholders to attend and vote at the AGM is 21 May 2026. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration by no later than 4:30 p.m. on Thursday, 14 May 2026.

By order of the Board  
**Wing Fung Group Asia Limited**  
**Chung Chi Keung**  
*Chairman, Chief Executive Officer  
and Executive Director*

Hong Kong, 25 March 2026

*As at the date of this announcement, the executive Directors are Mr. Chung Chi Keung and Ms. Lai Suk Fan; and the independent non-executive Directors are Mr. Choy Hiu Fai Eric, Mr. Lei For and Mr. Chan King Lun.*

*This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its publication. This announcement will also be published on the Company’s website at [www.wingfunggroup.com](http://www.wingfunggroup.com).*